

Section 7. Date of Commencement of Annual Assessments. Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement.

The first annual assessment shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable the first day of January of said year.

The amount of the annual assessment which may be levied for the balance remaining the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof, as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period and shall, at that time, prepare a roster of the Properties and assessments applicable thereto which shall be kept in the Office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every owner subject thereto.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessments: The Personal Obligation of the Owner; The Lien; Remedies of the Association. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall (together with interest thereon at the rate established by the Board (but not to exceed the maximum rate permitted by law) from the due date and

cost of collection as hereinafter provided) become a charge and continuing lien on the Lot and all improvements thereon, against which each such assessment is made. The personal obligation of the Owner at the time of the assessment to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass as a personal obligation to his successors in title unless expressly assumed by them; provided, however, that the lien on the Lot and all improvements thereon shall continue as such on the conveyance of the Lot and until satisfied.

If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment all attorneys fees, including but not limited to the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such properties in a foreclosure proceeding or a deed in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 11. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

(a) The grantee in conveyances made for the purpose of granting utility easements;

(b) All properties to the extent of any utility easement therein other than a utility easement dedicated and accepted by the local public and/or private authority and devoted to public use which does not adversely affect the owner's use of the property;

(c) All Common Properties as defined in Article I, Section 2, hereof and in the Wyndemere Covenants.

(d) All properties exempted from taxation by the laws of the State of South Carolina, upon the terms and to the extent of

such legal exemptions except properties which may be exempt for religious, charitable or educational reasons.

(e) Lots owned by the Company but only for so long as a Lot is owned by the Company, and the assessments, charges and liens provisions herein shall attach to the Property and commence upon the conveyance of a Lot to a third party and shall continue to run with the land even if reacquired by the Company.

Section 12. Assessments imposed by the Wyndemere Covenants. Assessments and charges provided for herein shall be in addition to those required under the Wyndemere Covenants; provided, however, that in the event that the Common Properties are conveyed to the Wyndemere Owners Association, no assessments shall be imposed under Section 2(a) of this Article V.

ARTICLE VI LOT DEVELOPMENT CRITERIA

Section 1. Approval. No structure (as defined in Wyndemere Covenants, shall be erected, placed or altered on the Lot unless such structure shall have been approved in accordance with the architectural review provisions of the Wyndemere Covenants.

Section 2. Minimum Size. No plans will be approved by the Company unless the proposed dwelling unit has a minimum of 1200 square feet of enclosed dwelling area. The term "enclosed dwelling area" as used herein means the total enclosed heated area within a dwelling unit, but excluding garages, boat sheds, terraces, decks, open or shed-type porches, and similar areas, even though attached to the dwelling unit. A screened porch shall be deemed a part of the enclosed dwelling area if in the opinion of the Architectural Review Board, the roof of such porch forms an integral part of the roof line of the main dwelling unit or if it is on the first living floor of a two-story structure.

Section 3. Building Height. Unless expressly approved by the Company, no structure constructed on the Lot shall be more than two (2) stories in height above the minimum height established by applicable flood zone regulations of the United States. For purposes of this paragraph, the first level or deck underneath a Dwelling Unit built approximately at or above grade and used for parking shall not be considered a "story."

Section 4. Setbacks and Common Walls. Because of the characteristics of townhouse architecture, no building set back lines are established by these covenants. Dwelling Units to be constructed on contiguous lots may, with the permission of the Company, have common party walls and the Company may require that a Dwelling Unit share a common party wall with a specified contiguous lot or lots. The Company, however, reserves to

itself, its successors or assigns, the right absolutely to control and decide the precise location of any Dwelling Unit, provided, however, that such location shall be determined only after reasonable opportunity is afforded to the Owner to recommend a specific site.

Section 5. Common Wall Rules. If a Dwelling Unit constructed on the Lot has a common party wall with a Dwelling Unit on a contiguous lot, the following restrictions shall apply:

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the lots and placed on the dividing line between the lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall.

(c) Destruction by Fire or other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute equally to the cost of restoration without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provision of this paragraph, an Owner who by accident, negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall be an obligation running with the land and shall pass to said Owner's successors in title.

(f) Arbitration. In the event of any dispute arising between two adjoining Owners concerning a party wall or a privacy fence or wall, or similar dispute relating solely to the respective rights and obligations of adjoining Owners, the dispute shall be resolved by the governing board of the Association or its designated agent, with any Owner involved in such dispute who is a member of such board not being allowed to vote on the issue. If the board (or agent) is unable to reach a decision or is unwilling to resolve the dispute, then each party

shall at its own cost choose one arbitrator, which arbitrator may be the same for all parties. If only two parties exist, and they choose different arbitrators who cannot reach a mutually acceptable decision, the two arbitrators shall choose a third arbitrator, the cost of which shall be shared equally by the parties. The decision of the majority of all the arbitrators shall be final and conclusive of the question involved. This paragraph shall not apply to disputes involving the Declarant unless the Declarant agrees to submit such disputes to arbitration as provided hereunder.

Section 6. Exterior Maintenance and Landscape Maintenance.

(a) Each Owner shall be responsible for the costs of construction and replacement of all improvements including Dwelling Units and landscaping on his Lot in accordance with this Declaration and the Wyndemere Covenants, including the review and approval of the Architectural Review Board.

(b) It shall be the affirmative duty of each Owner to prevent and remove the accumulation of litter, trash, packing crates or rubbish, or the development of any unclean, unsightly or unkempt conditions of buildings or grounds on the Property either before, during or after construction; to remove accumulations which tend to substantially decrease the neat and attractive appearance of the Owners' Lot or the Property as a whole; and, to keep their buildings, structures, landscaping and other improvements in good repair and appearance and to perform all necessary maintenance of same. Owner shall cooperate with the Association and adjoining Owners in an effort to coordinate landscaping and exterior repairs and maintenance on Owners Lot and the adjoining Lots and Common Areas.

(c) (i) If any Owner fails to maintain any Lot or the Dwelling Unit, landscaping and other improvements thereon, or fails to perform any acts or maintenance or repair required under these Covenants, or by the Association, upon reasonable notice given to the Owner and after providing a reasonable time for the Owner to remedy the violation, the Association or the Company may provide grounds and space exterior structure maintenance and repair upon such site and improvements thereon. In addition, the Company or the Association may, without notice, make such emergency repairs and maintenance as may in its judgment be necessary for the safety of any person or to prevent damage to any other property. The cost of such exterior maintenance and repair shall be assessed against the Owner and shall be a lien on the subject Lot and an obligation of the Owner and shall become due and payable as set forth in Article V. For the purpose of performing the exterior maintenance authorized by this Section, the Company or the Association, through its

duly authorized agents or employees, shall have the right, after reasonable notice to any Owner, to enter upon the respective property during reasonable hours on any day except Saturday or Sunday. The Company or the Association reserves a license or easement over all the Lot to inspect in order to determine whether any repair is necessary under this Section.

(ii) Neither the Company, the Association, nor any of their respective directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any land or improvements or portion thereof or to repair or maintain the same. The Company, the Association or any other person, firm or corporation undertaking such repairs or maintenance shall not be liable for any personal injury or property damage or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any site, improvements or portion thereof.

(iii) Whenever the Association or the Company undertakes, pursuant to these Covenants, to correct, repair, clean, preserve, clear out or perform any action on the Property or on easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass, and a license or easement to enter is hereby granted by any Owner who takes any such action subject to these Covenants.

7. Pest Control. Every Owner by accepting a deed to a Lot hereby agrees, covenants, conveys and grants an easement upon the Lot and any Dwelling Unit or other improvement thereon to the Association or its designated successors and assigns, as necessary to maintain pest control upon said Lot, Dwelling Unit, and other improvements and to prevent insects, pests, snakes, rodents and other vermin from investing said Properties and Common Properties and to pay for the cost thereof as part of the annual assessment or Special Assessments provided for in Article V hereof. This shall not be construed as an obligation of the Association but shall rather be exercised by the Association in its discretion.

ARTICLE VII GENERAL PROVISIONS

Section 1. Duration and Amendments. The Covenants shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Company or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded. Thereafter the Covenants shall be automatically extended from

year to year for an unlimited period of years unless three-fourths (3/4) of the Owners approve a change in the Covenants. The Covenants may be amended at any time if three-fourths (3/4's) of the vote at a duly called meeting of the Association approves the change. No such agreement to change shall be effective unless in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner and the Company at least thirty (30) days in advance of any action taken. During the period ending one (1) year from the date the Covenants are recorded the Company may amend or add to these Covenants, without the consent of the membership, to clarify or make provision for any items which the Company in its sole discretion considers necessary or desirable. The Company shall not, by reason of the power herein reserved, have the right to alter the amount, or method of making, annual or special assessments.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address.

Section 3. Enforcement. Enforcement of the Covenants shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damage, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner or the Company to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce the same thereafter.

Section 4. Severability. Should any covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase, or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

Section 5. Assignability. The Company reserves the right to assign its rights and obligations hereunder to any corporation, partnership, individual or other entity which it may

deem appropriate without the approval of the Association or the Owners.

Section 6. Conveyance of Company Rights. The Company reserves the right to convey any approval rights it may have under the Covenants to the Association at such time as it, in its sole discretion, may determine to be appropriate.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed the day and year first above written, by its Vice President and attested by its Secretary and the Corporate Seal affixed, pursuant to a resolution duly and unanimously adopted by its Board of Directors.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

WYNDEMERE CORPORATION, an Ohio Corporation

Laura Phillips
Jill M. Walker

By: [Signature]

Attest: James A. Carney

STATE OF)
)
COUNTY OF)

PROBATE

PERSONALLY appeared before me Laura Phillips, who, on oath, says that (s)he saw the within named WYNDEMERE CORPORATION by Robert N. Rains, its Vice President, sign the within document, and James A. Carney, its Secretary, attest the same and that (s)he with Jill M. Walker witnessed the execution thereof.

SWORN to before me this 24th day of June, 1988.

[Signature]
(witness)

Jill M. Walker
Notary Public for: Jill M. Walker, Notary Public
State of Ohio, Cuyahoga County
My Commission expires: March 4, 1991

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EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT A

ALL THAT certain piece, parcel or tract of land lying and situate on Hilton Head Island, Beaufort County, South Carolina consisting of 4.20 acres more or less as shown and described on that certain plat entitled "A Plat of Phase I Sailwind, A Section of Yacht Cove, Hilton Head Island, South Carolina" by Coastal Surveying and Engineering Company, Inc., Jerry L. Richardson, South Carolina Registered Land Surveyor Number 4784, dated June 9, 1988 and recorded July 8, 1988 in the Office of the Register of Mesne Conveyances of Beaufort County, South Carolina in Plat Book 35 at Page 204 and being more particularly described as follows;

Beginning at a point identified on the Plat as Point of Beginning having South Carolina Zone Coordinates N125,144.951 E2,082,037.769 said Point of Beginning being located N47°43'31"E, 11,759.24 feet from the Point of Commencing, said Point of Commencing being a control monument in the Sea Pines Circle having South Carolina Zone Coordinates N117,234.664 E 2,073,336.788; thence, from said Point of Beginning, N61°47'52" W for a distance of 105.25 feet to a point; thence, N61°47'52" W for a distance of 58.55 feet to a point; thence, along a curve, said curve having a delta angle of 10°38'44", a radius of 912.58 feet, a chord bearing of N56°28'32" W, a chord distance of 169.31 feet and an arc distance of 169.56 feet to a point; thence, along a curve having a delta angle of 8°55'38", a radius of 912.58 feet, a chord bearing of N46°41'19" W, a chord distance of 142.04 feet, and an arc distance of 142.19 feet to a point; thence, N42°13'32" W for a distance of 22.84 feet; thence, N55°46'28" E for a distance of 105.00 feet to a point; thence N32°16'28" E for a distance of 130.00 feet to a point; thence N49°52'10" E for a distance of 30.00 feet to a point; thence N49°52'10" E for a distance of 151.39 feet to a point; thence S41°57'50" E for a distance of 497.14 feet to a point; thence S47°55'01" W for a distance of 300.65 feet to the Point of Beginning.

MDS

FILED AT	BEAUFORT COUNTY S.C.	RECORDED IN BOOK
10:39		505
O'CLOCK	JUL 0 8 1988	PAGE 907
R. H. Dalton REGISTER OF MESNE CONVEYANCE		